

AMENDED IN SENATE JUNE 30, 2009

AMENDED IN SENATE JUNE 16, 2009

AMENDED IN SENATE MAY 27, 2009

AMENDED IN ASSEMBLY APRIL 22, 2009

AMENDED IN ASSEMBLY APRIL 13, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 718

Introduced by Assembly Member Emmerson
(Coauthor: Senator Negrete McLeod)

February 26, 2009

An act to add and repeal Section ~~4071.2~~ of the ~~Business and Professions Code~~, *14087.521 of the Welfare and Institutions Code*, relating to healing arts.

LEGISLATIVE COUNSEL'S DIGEST

AB 718, as amended, Emmerson. Inland Empire Health Plan E-Prescribing Pilot Program.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which basic health care services are provided to qualified low-income persons. Existing law authorizes the California Medical Assistance Commission to negotiate exclusive contracts with any county that seeks to provide, or arrange for the provision of health care services provided under the Medi-Cal program. Existing law authorizes the Board of Supervisors of San Bernardino County to, by ordinance, establish a commission to

negotiate the above-described exclusive contract and to arrange for the supervision of certain health care services.

The Pharmacy Law regulates, among other matters, the dispensing by prescription of dangerous devices and dangerous drugs, which include controlled substances. Existing law authorizes the electronic transmission of prescriptions under specified circumstances.

This bill would, until January 1, 2013, create the Inland Empire Health Plan E-Prescribing Pilot Program and would require the program to promote health care quality and the exchange of health care information and to include specified components, including electronic prescribing, as defined. The bill would require the Inland Empire Health Plan, a joint powers agency, to select, through a competitive bid process, an entity ~~with~~ *whose product has* specified certification to administer the program and would require this entity to submit a report to the Legislature, by January 1, 2012, regarding the goals and results of the program and whether the program should be extended, as specified. *The bill would provide that the above-described provisions shall be funded by funds made available by the federal American Recovery and Reinvestment Act of 2009.* By imposing a new requirement on a joint powers agency, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 **SECTION 1.** *Section 14087.521 is added to the Welfare and*
- 2 *Institutions Code, to read:*
- 3 14087.521. (a) *The Inland Empire Health Plan E-Prescribing*
- 4 *Pilot Program is hereby created. For purposes of this section,*
- 5 *“program” means the Inland Empire Health Plan E-Prescribing*
- 6 *Pilot Program.*
- 7 (b) *The program shall be administered by an entity whose*
- 8 *product has been certified by the Certification Commission for*

1 *Health Information Technology, either as a stand-alone electronic*
2 *prescribing product or service or as part of an electronic health*
3 *record product or service. This entity shall be selected by the*
4 *Inland Empire Health Plan through a competitive bid process.*

5 *(c) The program shall promote health care quality and the*
6 *exchange of health care information consistent with applicable*
7 *law, including, but not limited to, applicable state and federal*
8 *confidentiality and data security requirements and applicable state*
9 *record retention and reporting requirements. The program shall*
10 *include all of the following components:*

11 *(1) Integrated clinical decision support alerts for allergies,*
12 *drug-drug interactions, duplications in therapy, and elderly alerts.*

13 *(2) Current payer formulary information.*

14 *(3) Appropriate alternatives, when needed, to support*
15 *cost-effective prescribing at the point of care, except that nothing*
16 *in this section shall be construed to authorize the program to*
17 *establish a drug formulary.*

18 *(4) Drug compendia approved by the federal Centers for*
19 *Medicare and Medicaid Services.*

20 *(5) Electronic prescribing consistent with applicable state and*
21 *federal law.*

22 *(6) Patient drug history.*

23 *(d) Electronic prescribing pursuant to the program shall not*
24 *interfere with a patient's existing freedom to choose a pharmacy*
25 *and shall not interfere with the prescribing decision at the point*
26 *of care.*

27 *(e) The entity administering the program shall, on or before*
28 *January 1, 2012, submit a report to the Legislature on the goals*
29 *and results of the program and whether the program should be*
30 *extended. This report shall include quantifiable data on all of the*
31 *following:*

32 *(1) The number of prescribers enrolled in the program who use*
33 *electronic prescribing.*

34 *(2) The number of pharmacies participating in the program.*

35 *(3) The number and percentage of prescriptions sent*
36 *electronically as a percentage of the overall number of*
37 *prescriptions reimbursed by the plan.*

38 *(4) Expenditures on the program.*

39 *(5) Data on whether and to what extent the program achieved*
40 *the following goals:*

1 (A) *Reduced medication errors.*

2 (B) *Reduced prescription fraud.*

3 (C) *Reduced health care costs, including, but not limited to,*
4 *inpatient hospitalization, by reducing medication errors, increasing*
5 *patient medication compliance, and identifying medication*
6 *contraindications.*

7 (f) *For purposes of this section, “electronic prescribing” shall*
8 *have the same meaning as “electronic data transmission*
9 *prescription” as defined in subdivision (c) of Section 4040 of the*
10 *Business and Professions Code.*

11 (g) *This section shall be funded by funds made available by the*
12 *federal American Recovery and Reinvestment Act of 2009 (Public*
13 *Law 111-5).*

14 (h) *This section shall remain in effect only until January 1, 2013,*
15 *and as of that date is repealed, unless a later enacted statute, that*
16 *is enacted before January 1, 2013, deletes or extends that date.*

17 ~~SECTION 1. Section 4071.2 is added to the Business and~~
18 ~~Professions Code, to read:~~

19 ~~4071.2. (a) The Inland Empire Health Plan E-Prescribing Pilot~~
20 ~~Program is hereby created. For purposes of this section, “program”~~
21 ~~means the Inland Empire Health Plan E-Prescribing Pilot Program.~~

22 ~~(b) The program shall be administered by an entity with~~
23 ~~certification from the Certification Commission for Healthcare~~
24 ~~Information Technology. This entity shall be selected by the Inland~~
25 ~~Empire Health Plan through a competitive bid process.~~

26 ~~(c) The program shall promote health care quality and the~~
27 ~~exchange of health care information consistent with applicable~~
28 ~~law, including, but not limited to, applicable state and federal~~
29 ~~confidentiality and data security requirements and applicable state~~
30 ~~record retention and reporting requirements. The program shall~~
31 ~~include all of the following components:~~

32 ~~(1) Integrated clinical decision support alerts for allergies,~~
33 ~~drug-drug interactions, duplications in therapy, and elderly alerts.~~

34 ~~(2) Current payer formulary information.~~

35 ~~(3) Appropriate alternatives, when needed, to support~~
36 ~~cost-effective prescribing at the point of care.~~

37 ~~(4) Drug compendia approved by the Centers for Medicare and~~
38 ~~Medicaid Services.~~

39 ~~(5) Electronic prescribing consistent with applicable state and~~
40 ~~federal law.~~

1 ~~(6) Patient drug history.~~

2 ~~(d) Electronic prescribing pursuant to the program shall not~~
3 ~~interfere with a patient's existing freedom to choose a pharmacy~~
4 ~~and shall not interfere with the prescribing decision at the point of~~
5 ~~care.~~

6 ~~(e) The entity administering the program shall, on or before~~
7 ~~January 1, 2012, submit a report to the Legislature on the goals~~
8 ~~and results of the program and whether the program should be~~
9 ~~extended. This report shall include quantifiable data on all of the~~
10 ~~following:~~

11 ~~(1) The number of prescribers enrolled in the program who use~~
12 ~~electronic prescribing.~~

13 ~~(2) The number of pharmacies participating in the program.~~

14 ~~(3) The number and percentage of prescriptions sent~~
15 ~~electronically as a percentage of the overall number of prescriptions~~
16 ~~reimbursed by the plan.~~

17 ~~(4) Expenditures on the program.~~

18 ~~(5) Data on whether and to what extent the program achieved~~
19 ~~the following goals:~~

20 ~~(A) Reduced medication errors.~~

21 ~~(B) Reduced prescription fraud.~~

22 ~~(C) Reduced health care costs, including, but not limited to,~~
23 ~~inpatient hospitalization, by reducing medication errors, increasing~~
24 ~~patient medication compliance, and identifying medication~~
25 ~~contraindications.~~

26 ~~(f) Notwithstanding Section 4321, a violation of this section~~
27 ~~shall not be a crime.~~

28 ~~(g) For purposes of this section, notwithstanding subdivision~~
29 ~~(e) of Section 4040, "electronic prescribing" means a prescription~~
30 ~~or prescription-related information transmitted between the point~~
31 ~~of care and the pharmacy using electronic media.~~

32 ~~(h) This section shall remain in effect only until January 1, 2013,~~
33 ~~and as of that date is repealed, unless a later enacted statute, that~~
34 ~~is enacted before January 1, 2013, deletes or extends that date.~~

35 SEC. 2. If the Commission on State Mandates determines that
36 this act contains costs mandated by the state, reimbursement to
37 local agencies and school districts for those costs shall be made

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

O